ANNUAL REPORT
1999

PEOPLE • EFFICIENCY • GROWTH

SAPUTO GROUP INC.

We are Saputo Group Inc.,

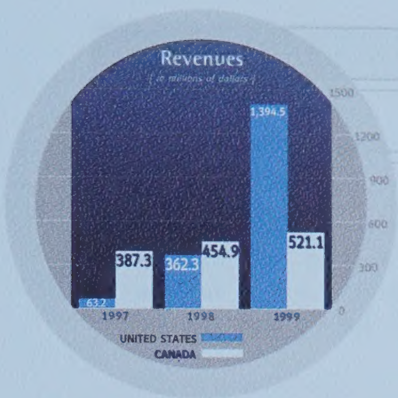
a North American manufacturer of quality cheeses renowned across Canada and the United States. Mozzarella is predominant in our cheese production, with our expertise extending to the manufacturing of other specialty cheeses such as Parmesan, Ricotta, Blue and Swiss. From our dairy processing operations, we also derive value-added products such as lactose and whey protein, which we market throughout the world. Our leading brands are Saputo, Stella, Frigo and Dragone. In Canada we also operate our distribution network, through which we market a broad assortment of non-dairy products to complement our cheese offerings.

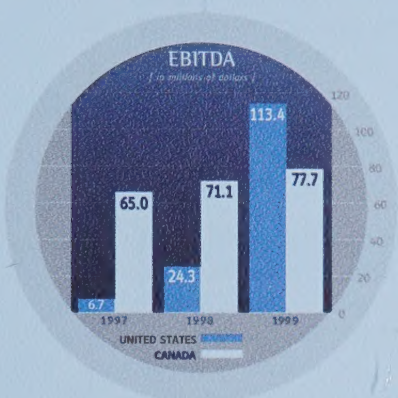
RETROSPECTIVE

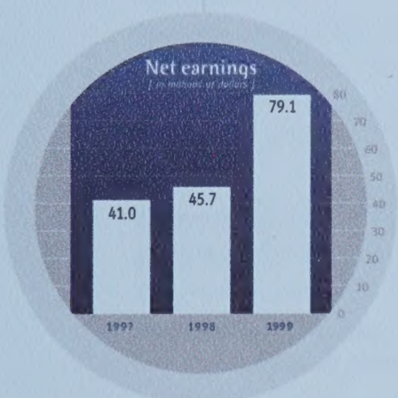
During the 1999 fiscal year, we focused on increasing the Group's profitability by integrating and streamlining our acquisitions, as well as maintaining our leading position in many sectors of the North American market. We also grouped, on April 1, 1999, all our American subsidiaries under one name, Saputo Cheese USA Inc. Our operation on both sides of the border is now linked into a unified entity. This reflects our determination to manage our Canadian and American activities in a totally integrated manner.

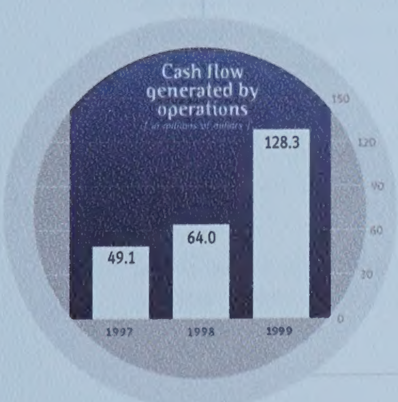
COVER:

CLAUDE CHARTRAND
EMMANUEL COSTA
SUZETTE DUGUAY-SAMSON
YVON FORGET
MARIO GERACI
ANITA LEMAIRE
RICK GILLESPIE
MICHELLE LUNG
CHRISTINE MORRIS
ANTONIO DE SOMMA
ISABELLE VIGER
MONA WESH









Financial HIGHLIGHTS

As at March 31 *(in thousands of dollars, except per share amounts and statistics)*	1999	1998	1997
Revenues	**$ 1,915,637**	$ 817,255	$ 450,512
Earnings before interest, income taxes, depreciation and amortization (EBITDA)	**$ 191,087**	$ 95,427	$ 71,667
Net earnings	**$ 79,093**	$ 45,745	$ 40,998
Cash flow generated by operations, before changes in non-cash operating working capital items	**$ 128,334**	$ 63,972	$ 49,114
Working capital	**$ 98,459**	$ 115,935	$ 43,122
Total assets	**$ 1,072,049**	$ 896,662	$ 175,767
Long-term debt, including current portion	**$ 377,784**	$ 361,334	$ -
Shareholders' equity	**$ 449,933**	$ 369,893	$ 114,190
PER SHARE			
Earnings per share			
Basic	**$ 1.63**	$ 1.23	$ 1.37
Fully diluted	**$ 1.59**	$ 0.93	
Cash flow generated by operations, before changes in non-cash operating working capital items	**$ 2.64**	$ 1.72	$ 1.64
Book value	**$ 9.25**	$ 7.62	
STATISTICS			
Return on average shareholders' equity	**19,3 %**	18,9 %	37,3 %
Production volume *(in millions of kilograms)*	**255**	115	55

Message TO SHAREHOLDERS

The 1999 fiscal year will certainly prove to have been a turning point for our Company. Over the last year, we focused our efforts on transforming hopes and aspirations into realities.

When we expanded our operations in the United States by acquiring Stella Foods Inc. and then Avonmore Cheese Inc. and Waterford Food Products Inc. a few months later, we were well aware of the tremendous task before us. However, the calibre of our human resources, our management experience and our expertise in all aspects of operations gave us the confidence to assure our shareholders that we were equal to the challenge.

Our results confirm this today. They are an eloquent reflection of the professionalism, skill and dedication of the men and women who are the heart and soul of our company. Their day-to-day efforts contributed and continue to contribute to making our Company one of the top financial performers in the world dairy industry. For this, we thank them.

FINANCIAL RESULTS

Net earnings for the year were $79.1 million or $1.63 per share, 73% higher than for the previous period. Sales climbed from $817.3 million to $1.9 billion, an increase of 134% over 1998. Both increases are largely due to our U.S. acquisitions.

HIGHLIGHTS

On May 1, 1998, we completed the acquisition of Avonmore Cheese Inc. and Waterford Food Products Inc., both in Wisconsin. With this purchase, we added to our sales over 33 million kilos of cheese, including 11 million kilos of Swiss cheese, 19 million kilos of Mozzarella and Provolone, and 3 million kilos of Ricotta, produced at the company's three plants. Three other plants specialized in converting whey into value-added products were also included in the assets acquired.

On September 1, 1998, we purchased Riverside Cheese and Butter Inc., in Ontario. Acquiring this Mozzarella manufacturer allowed us to consolidate our position on the Ontario market and at the same time broadened our production base in the province.

On September 16, 1998, we completed the purchase of Bari Cheese Ltd, in British Columbia, also a Mozzarella and Ricotta manufacturer. This gave us a production base in another western Canadian province.

In late September 1998, we completed the shutdown of the administrative headquarters of Stella Foods Inc. in Green Bay, Wisconsin. This enabled us to centralize at one suburban Chicago location all the accounting, information systems, taxation, human resources, quality assurance, and sales and marketing aspects of our U.S. operations.

On November 18, 1998, we also began a streamlining process at our American manufacturing facilities, starting with the closure of our Branch, Wisconsin plant. The process continued on March 31, 1999 when activities came to an end at the Kent, Illinois facility.

Throughout the year, we also rationalized the products manufactured at our various plants in the United States. This resulted in increased productivity and greater profitability. Finally, on December 1, 1998, Stella Foods Inc.

CAMILLO LISIO

was re-named Saputo Cheese USA Inc. Stella remains a major brand name for our Company and we will continue to market our products under this brand, while gradually introducing our main brand Saputo onto the United States market.

The chief highlight of our 1999 fiscal year is without doubt the successful integration of our American operations. Our determination to manage our activities on a North American basis made this integration all the easier.

DECISION BY THE WTO

On February 5, 1999, a panel of the World Trade Organization (WTO) issued a preliminary decision in favour of a complaint filed by the United States and New Zealand concerning compliance of the Canadian dairy system in terms of export.

The panel's preliminary report concluded that Canada was contravening its export commitments with respect to compliance of the Canadian dairy system, commitments it had undertaken with the signing of the international trade agreement known as GATT 1994.

On March 17, 1999, when its final decision was announced, the panel confirmed its preliminary conclusions. Canada has since appealed this decision.

The disagreement concerns two points. The United States and New Zealand allege that during the dairy years 1995-1996 and 1996-1997, Canadian exports of butter, cheese and other dairy products exceeded the permitted limits for subsidized exports to which Canada agreed to in the GATT 1994 agriculture agreement. They further claim that Canada failed to honour its commitment to import 64,500 tonnes of milk at a preferential tariff.

LINO SAPUTO

Canada is not disputing the volumes of dairy products exported. However, it claims that its special class system, allowing dairy processing firms to buy milk used to manufacture products intended for the international market at a lower price than that of the domestic market, does not constitute a subsidy. It is therefore not subject to the reductions in volumes of subsidized exports to which Canada agreed to. With respect to the 64,500 tonnes of milk that Canada has to import at a special tariff, Canadian representatives claim that Canadian residents make enough daily cross-border purchases of fluid milk in the United States to fulfil Canada's commitment.

The panel indicated clearly in its decision that the two-tier pricing system, one for the internal market and the other for the international market, does not in itself violate the provisions of GATT 1994. It is rather the role played by governments and marketing boards in executing and applying the two-tier pricing system that confers on the special class system the character of an export subsidy. Regarding Canada's commitment to import 64,500 tonnes of milk at a preferential tariff, the Commission simply concluded that the Canadian position on cross-border purchases is not measurable and Canada is therefore failing to comply with its obligations.

The appeal process should be concluded in late 1999. If the decision is confirmed, Canada will probably have three to fifteen months in which to comply. This could mean that all milk purchases for export would have to be the object of a private transaction between the dairy processing firm and the milk producer. This implies that the transaction would have to be free of government intervention, both at the ministerial and administrative levels.

At present, it is difficult to predict how the possible confirmation of this decision will affect supply management of the domestic market. Equally unpredictable is the reaction of the different provincial governments.

One thing at least is clear: our Company enjoys a privileged position. We are among the three most important cheese manufacturers in Canada. We operate plants in four provinces and a Canada-wide distribution network. In the United States, where we estimate ourselves to be the fifth largest manufacturer of natural cheese, our position is equally advantageous. We therefore have solid foundations on both sides of the border.

Moreover, Saputo is the only company in the industry that manages its American and Canadian activities in an integrated manner. We believe this will give us an advantage in the event that the North American dairy industry ceases to be defined according to national parameters and becomes continental in scope.

THE FUTURE

During the 2000 fiscal year, we intend to complete the integration of our American acquisitions. The experience gained during this process has given us the confidence to take up new challenges and explore new investment opportunities, both in North America and around the world.

Our objective to become a world-scale dairy company remains unchanged. We are master cheesemakers and our operational expertise, in both production and marketing, guarantees our success.

LINO SAPUTO
Chairman of the Board and
Chief Executive Officer

CAMILLO LISIO
President and
Chief Operating Officer

June 9, 1999

efficiency
growth
people

tradition growth success

Our story is one of motivated, informed entrepreneurs who succeeded in managing a sound corporate expansion. Since Saputo was founded in 1954, the Company has grown steadily. And while each period of our history has influenced our evolution, the last two years have undeniably been the most decisive in Saputo's development.

An active player in the consolidation of the dairy industry, we acquired and integrated five companies during this period. As a result, our sales climbed from $451 million to $1.9 billion and our dairy processing activities from 485 million litres of milk to over 2 billion litres annually, while our workforce grew from 750 to close to 3,000 employees across North America. We take great pride in this achievement.

As we go forward, we will continue to utilize our knowledge of the past and the mastery of our craft as a constant source of inspiration that will remind us of the importance of perpetuating the tradition and values that are ours.

Today, more than ever before, the liberalization of trade is opening borders and pointing to new horizons. In this new context, our efficiency and specialization are undeniable advantages. We will endeavor to combine them with our expertise and our human resources in order to become a worldwide player in the dairy processing industry.

To achieve this, we intend to investigate closely the various acquisition opportunities that may arise, both in North America and around the world.

Our approach will be disciplined, targeting companies whose activities complement our own. This will enable us to take full advantage of our operating expertise to enhance shareholder value.

Equally important is the integration of our North American activities, which will facilitate our positioning in the event of deregulation of the Canadian dairy industry. This will allow us to be well placed to take advantage of ensuing business opportunities.

vision

objectives

strategies

“Our goal is to be the benchmark for our industry.”

LINO SAPUTO JR.
Executive Vice-President - Operations

A tradition THAT MAKES ALL THE DIFFERENCE

At Saputo, our family company roots are firmly anchored in our business philosophy, influencing all our actions. Aware of the importance of this tradition for the Company's success, our management team not only adheres to the values on which the business was built but also deems it essential to disseminate them throughout the organization.

Without a doubt, this has enabled our personnel to develop a profound sense of belonging, reflected in the pride, dedication and meticulous attention to detail shown by every woman and man in the accomplishment of their daily responsibilities at the Company. The result is a high quality, low cost production process, which is virtually unique in the dairy industry worldwide and an exceptionally efficient customer-oriented sales department. These strengths have allowed us to maintain our competitive position in the various markets in which we operate and give us a distinct advantage *vis-à-vis* our competitors. They are also essential tools that will turn future acquisitions into profitable undertakings.

“We support the growth of our employees by favouring internal promotions.”

PIERRE LEROUX
Executive Vice-President - Human Resources and Quality Assurance

"Attention to
detail is the
key to our group's
success."

LOUIS-PHILIPPE CARRIÈRE
Executive Vice-President
- Finance and Administration

Our success is also the result of our close attention to the quality of our products, which today enjoy a reputation second to none, in the United States, Canada and other countries around the world. If we have succeeded in distinguishing ourselves in this manner, it is because of our unwavering passion for the craft of cheesemaking, which in turn prompts us to continuously surpass ourselves.

Beyond the mastery of our art, we also have the necessary knowledge and expertise to market our products in every segment in which we are active. This makes us more adaptable to the changing needs of an increasingly discerning and well-informed clientele.

The financial success of Saputo Group Inc. lies at the heart of all these elements. Together they act in synergy, for the greater benefit of the Company and everyone who is part of it.

"From the loading bay
all the way to the consumer,
our products are handled by
responsible people
well able to meet the goals
of the Company and its clientele."

DINO DELLO SBARBA
Executive Vice-President
- Sales, Marketing and Logistics

Canada

Description OF MARKETS AND SALES

In Canada, we manufacture and market our products and also import a large variety of specialty cheeses, mainly from Europe. We also distribute a vast offering of non-dairy products. This allows us to propose to our clientele a wider array of products to meet the needs of restaurant operators, especially pizzerias, as well as major supermarket chains seeking to offer consumers a comprehensive assortment of cheeses.

Furthermore, we serve on a weekly basis more than 7,500 clients through an exclusive distribution network composed of 13 sales branches located strategically across the country.

Our Canadian sales are divided into three sectors: retail, industrial and foodservice. This last sector accounts for the major portion of our sales because it has been targeted since the Company was founded as a direct result of the outstanding growth opportunities it presented, in view of the growing popularity of Italian foods, especially pizza.

Over the years, we have been able to respond successfully to the needs of this sector. Our success has been such that today many chefs regard our cheese as an essential ingredient of their pizza, whether they are restaurant owners or part of a chain. That is why we manufacture approximately 37% of the close to 112 million kilos of Mozzarella produced in Canada annually.

Our Mozzarella is also preferred by Canada's principal frozen pizza manufacturers, which account for a large part of the industrial sector. These manufacturers have also come to recognize and appreciate the superior and consistent quality of our product.

In addition, we offer the retail sector a range of Italian specialties like Ricotta, Provolone and Bocconcini. We also feature other cheeses such as Cheddar, Brick and curd cheese, as well as a vast assortment of imported cheeses. In this sector, we offer retailers a full range of cheeses from here and abroad, responding to the requirements of the most discerning consumers.

These products are marketed under brand names that include Saputo, Stella, Caron, Froma-Dar, Descôteaux and Bari.

Stella DES CÔTEAUX CARON SAPUTO BARI. BRAND FROMA DAR

DRAGONE Frigo ALL NATURAL STELLA™ LORRAINE CHEESE Frigo LASAGNA MADE EASY

Description OF MARKETS AND SALES United States

In the United States, as in Canada, we manufacture and market our cheeses. In fact, our activities in both countries are focused in the same sectors: foodservice, ingredient and retail. Although ingredient predominates somewhat over the other sectors, our sales in the United States are more equally divided when compared with the segmentation of our Canadian sales.

As a result of the acquisitions we have completed since the end of 1997, more than 73% of our revenues are generated in the United States. The integration of our American activities has led to an extensive and detailed review of our operations in order to increase our efficiency and improve our competitiveness on the American market. Seen from this perspective, the 1999 fiscal year gave us the opportunity to achieve tighter control over the management of our U.S. activities.

In the United States, Mozzarella makes up the most significant portion of our production, which we estimate to represent a little more than 9% of the one billion kilos produced there annually. We also produce substantial volumes of other cheeses, including Parmesan, Ricotta, Blue and Swiss.

Ever alert to new growth opportunities, we draw upon all our products in each sector and adapt and market them according to the needs and requirements of our clients.

For instance, we recently launched a new product called "Lasagna made easy", a ready-to-use lasagna filling comprising a blend of cheeses and spices. This product responds to the ever-growing needs of consumers looking for quality foods that

United States

Description OF MARKETS AND SALES (continued)

are easy to use. Also in the retail sector, our "Cheese Heads" string cheese has pride of place on the American market nationwide, with a market share of 15.8%[1].

Also worthy of mention is our new line of pre-crumbled and pre-shredded salad cheeses called Toppers. They come in five distinctive varieties that add zip to any everyday dish. We are especially proud to report that in 1998, Toppers was named "Best New Product" by the International Dairy Foods Association.

Finally, during the 1999 fiscal year, we promoted our prestigious brand names Stella, Frigo, Dragone and Lorraine in all the sectors where they are marketed.

We intend to continue to strengthen our position on the American market, making full use of our know-how. Ultimately, this should translate into a larger market share in all our spheres of activity.

[1] *A.C. Neilsen, May 8, 1999.*

International

Description OF MARKETS AND SALES

Our international activities are currently conducted from Canada. From here we sell cheeses and value-added products like lactose and whey proteins around the world.

Mozzarella is our primary export. Facilitating our market penetration in places as far afield as Europe, Asia and South America is the fact that we are the only Canadian cheese manufacturer equipped with the specialized IQF (Individually Quick Frozen) cheese process. With this process we are able to instantly freeze Mozzarella, thereby preserving its optimum quality up to the moment of thawing. This gives us a definite advantage when shipping a product that would otherwise be perishable. Notwithstanding time and distance, users are guaranteed outstanding culinary performance every time they use our Mozzarella in their dishes.

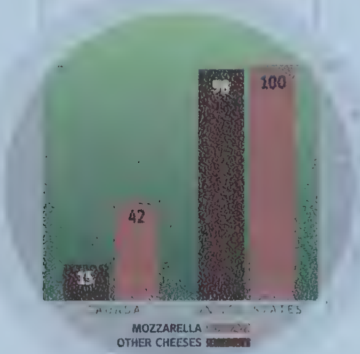
Our presence on the international market also gives us a window on the world, allowing us to examine investment opportunities outside North America. In the medium and long term, this could lead to a more direct presence in certain markets that we presently serve from Canada.

Management's discussion

AND ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITION

1999 ANNUAL PRODUCTION

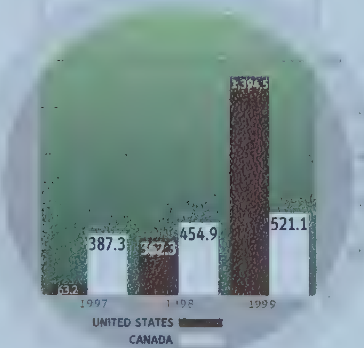
[255 million kilograms]



Saputo Group Inc. achieved excellent financial performance during the 1999 fiscal year. Sales more than doubled and net earnings rose 73% over the previous fiscal year. This performance is the result of the rapid integration of Stella Foods Inc., acquired in December 1997 and renamed Saputo Cheese USA Inc. on December 1, 1998, and the purchase of Avonmore Cheese Inc. and Waterford Food Products Inc. in May 1998. In addition to Avonmore Cheese Inc. and Waterford Food Products Inc., the Company acquired two Canadian companies, Riverside Cheese and Butter Inc. and Bari Cheese Ltd., in September 1998. All these transactions are reflected in the figures for the year ended March 31, 1999. These acquisitions redefined the Company, which, in the 1999 fiscal year, produced over 255 million kilos of cheese and generated 73% of its sales in the United States. The continuing growth of Saputo allowed a solid structure to be set up, giving the Company an opportunity to pursue its growth internationally.

REVENUES

[in millions of dollars]

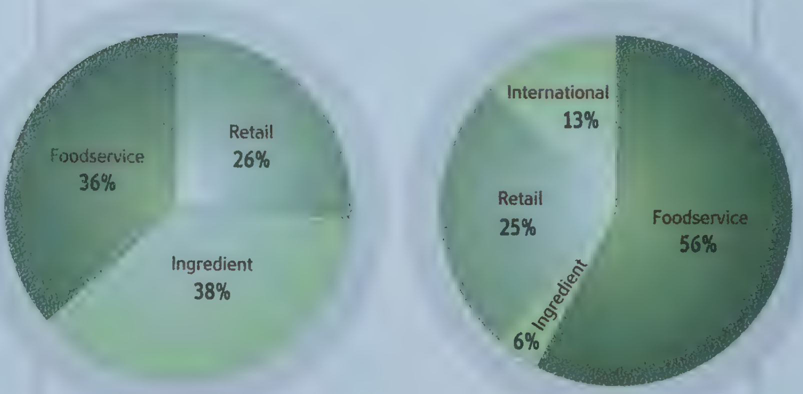


OPERATING RESULTS

During 1999, Saputo **sales** totalled $1.9 billion, an increase of 134% over the 1998 figure of $817.3 million.

The American division was the principal source of this increase, generating $1.03 billion more in sales than in the 1998 fiscal year. This reflects a full year's operation of Saputo Cheese USA Inc., compared with sixteen weeks in 1998. Two factors also favoured our American sales: the conversion of our revenues into Canadian dollars gave us a $69 million advantage this year, owing to the better exchange rate than in the previous year. As well, $163 million of our revenues were generated by the rise in the basic cheese price in the United States compared with the 1998 fiscal year.

SALES BY MARKET SEGMENT



UNITED STATES

total: 1,394 million dollars

CANADA

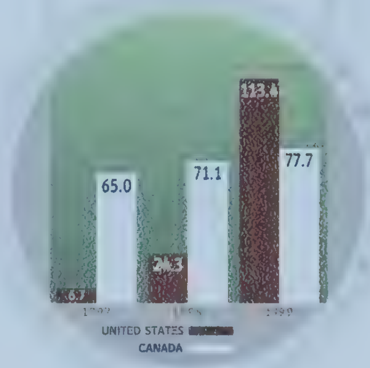
total: 521 million dollars

On the Canadian side, sales reached $521.1 million during the 1999 fiscal year, a 14.6% increase compared with the 1998 figure of $454.9 million. Froma-Dar Inc. and Crémerie des Trois-Rivières, Limitée, two companies acquired during 1998, made a full contribution to the year's results; indeed, their share, combined with the two Canadian acquisitions completed in the 1999 fiscal year, accounts for 72% of this increase. The second major reason for the increase in sales was the contribution from the international sector, which rose by $12.2 million, a 22.9% increase over the 1998 results.

Earnings before interest, taxes, depreciation and amortization (EBITDA) rose 100% compared with the 1998 figure of $95.4 million, reaching $191.1 million in 1999 ($77.7 million in Canada and $113.4 in the United States). 93% of this increase is accounted for by our American activities.

EBITDA

[in millions of dollars]

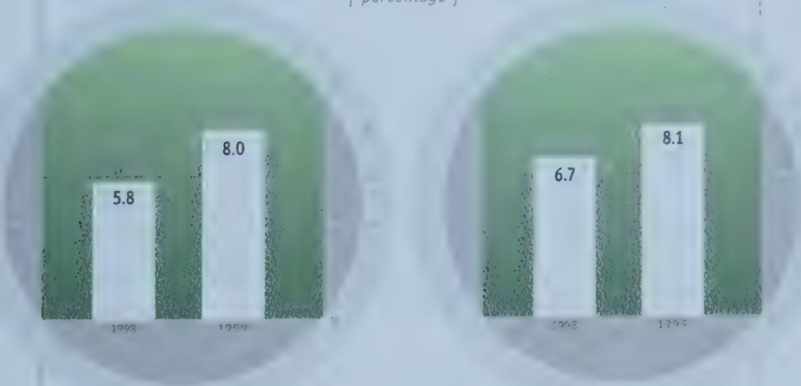


The EBITDA margin decreased from 11.7% for 1998 to 10% for 1999. This decrease is the result of the fact that we operated most of our American division for a full year compared with sixteen weeks last year. This division generates sales that are twice as large as in Canada, but with a smaller profit margin than for our Canadian operations. Downward pressure was therefore exerted on the overall EBITDA margin. However, it should be emphasized that the EBITDA margin of our American activities improved during fiscal 1999, reaching 8.1% compared with 6.7% in 1998. More specifically, this represents an additional $29.1 million in EBITDA solely from activities related to Saputo Cheese USA Inc., for which the EBITDA margin grew from 5.8% in 1998 to 8% in 1999. This attests to the success of the whole integration process carried out during the year.

For purposes of comparison with the 1998 fiscal year, if the exchange rate and selling price per pound of cheese in the United States had remained unchanged in 1999, the EBITDA margin of our American division would have been 9.3%, or 1.2% higher than the 8.1% actually achieved. Fluctuations in cheese prices on the American market have a direct impact on profit margins. An increase in the price of cheese boosts earnings without changing the profit in absolute dollars because the price increase of the raw material keeps pace with the price of cheese.

EBITDA MARGIN

[percentage]



SAPUTO CHEESE U.S.A. INC.

AMERICAN ACTIVITIES

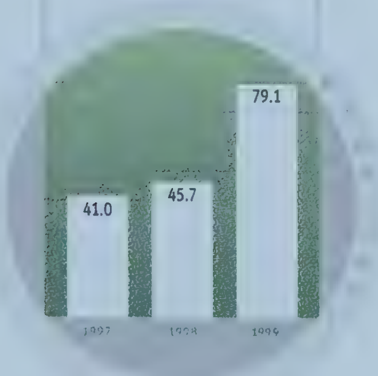
Canadian activities amounted to $77.7 million in EBITDA in 1999, up 9.3% over the 1998 figure of $71.1 million. This increase is a direct result of the growth in Canadian sales during 1999, which increased by 14.6% over the previous year. The EBITDA margin went from 15.6% in 1998 to 14.9% in 1999. This decrease is primarily linked to the acquisition of companies whose EBITDA margin at the time of purchase was lower than that of our Canadian activities, in particular Riverside Cheese and Butter Inc. and Bari Cheese Ltd. Both were acquired in September 1998 and are currently in the process of being integrated. Another factor explaining the decrease is the fluid milk sector, which has a lower EBITDA margin and was operated for 52 weeks during 1999 compared with 34 weeks in 1998. Finally, growth in the international sector, another sector with lower margins, also exerted downward pressure on the EBITDA margin.

Depreciation and amortization expenses totalled $34.9 million during the 1999 fiscal year, compared with $15.7 million in the previous year. This increase, which mainly results from the twelve-month operation of Saputo Cheese USA Inc., also reflects additional capital expenditures during the year.

Interest expenses amounted to $33.9 million in 1999, up $25 million compared with $8.9 million in 1998. This increase reflects the use of financing set up for the acquisition of Stella Foods Inc. over the whole 1999 period, compared with sixteen weeks in 1998. It also reflects the $50 million in additional financing put in place at the time of the Avonmore-Waterford acquisition in May 1998. During 1999, we also repaid $57 million of the long-term debt.

NET EARNINGS

[in millions of dollars]



Income tax expenses amounted to $43.2 million for 1999, compared with $25.1 million the previous year. The Company's tax rate remained substantially the same as in the previous year and this despite an increase in the profitability of its American activities. This is the result of certain financial transactions and corporate reorganizations.

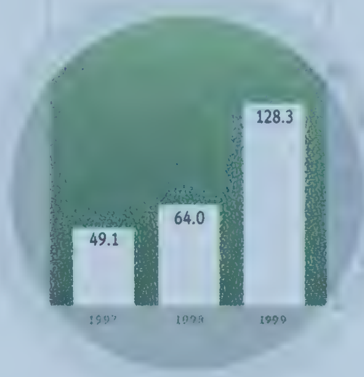
Net earnings attained $79.1 million for the 1999 fiscal year, ($1.63 per share), compared with $45.7 million in 1998 ($1.23 per share), a 73% increase mainly attributable to our American operations. Integrating these activities enabled us to improve certain manufacturing processes, streamline our operation and generally apply more stringent management.

CASH AND FINANCIAL RESOURCES

Cash generated, before changes in non-cash working capital items, was $128.3 million, an increase of 100.5% compared with the 1998 figure of $64 million. The Company took advantage of these major inflows of cash to gradually build up its inventory and eliminate the costly off-balance sheet financing activities that were being used by Stella Foods Inc. at the time it was acquired in December 1997.

In view of this cash flow and the successful integration of the American activities, the Company accelerated the execution of certain additional capital expenditure projects. Expenditures totalled $62.6 million in 1999 compared with $22 million in 1998 and will enable the Company to increase the profitability of its manufacturing operation through the upgrading of production processes and modernization of the Hinesburg, Vermont plant. Updating this plant will allow for better geographical distribution of our American production volumes. 1999 was marked by the acquisition of Avonmore Cheese Inc. and Waterford Food Products Inc. in May 1998, and Riverside Cheese and Butter Inc. and Bari Cheese Ltd. in September 1998. These transactions amounted to $64.5 million and were financed with $50 million in bank loans, a $1.1 million issue in shares, and $13.4 million from current liquidities.

CASH FLOW GENERATED BY OPERATIONS
(in millions of dollars)



During 1999, the Company repaid $57 million of long-term debt, $18.5 million more than anticipated. It also paid shareholders $11.7 million in dividends and ended the fiscal year with $98.5 million of working capital, long-term debt (including the short-term portion) of $377.8 million and shareholders' equity of $449.9. The ratio of long-term debt to overall capitalization improved from 49.4% in 1998 to 45.6% in 1999.

For fiscal 2000, the Company forecasts net capital expenditures in the area of $38 million. This amount will be devoted mainly to the ongoing improvement of manufacturing processes and includes the cost of expanding the Company's head office, rendered necessary by the integrated approach the Group has taken in managing its Canadian and American activities. The Company also intends to repay $49.1 million of the long-term debt, in accordance with the pre-established repayment schedules.

Cash flow generated by operations and the available but not used credit facilities, currently $80 million, should be sufficient for the Company to cover its capital expenditures and repay the long-term debt, while assuring corporate expansion. All other forms of additional financing will be evaluated if necessary.

FINANCIAL INSTRUMENTS, RISK AND UNCERTAINTY

To mitigate fluctuating interest rates, the Company concluded swap contracts allowing it to benefit from fixed rates during specific periods and protect itself against fluctuations. On the other hand, fluctuating exchange rates do not adversely affect Saputo's financial position because the cash generated from the American operation allows the Company to meet long-term debt obligations contracted in US dollars.

OUTLOOK

As the new millennium draws near, Saputo is up to the new challenges that will arise in its development. The rapid integration of our acquisitions over the last sixteen months demonstrates the Company's skill in transmitting its know-how and expertise to the newly acquired ventures.

Most of the changes planned for our American division have now been implemented and the 2000 fiscal year should reflect the completion of the integration process.

We will continue to deploy all our efforts in order to remain a low-cost cheese manufacturer. Moreover, if changes are introduced in the dairy regulations between Canada and the United States, the Company will be well placed, thanks to a substantial presence on both sides of the border.

With solid foundations, dedicated people and a healthy financial position, the Company believes it has all the resources to become an important international player.

THE YEAR 2000

For many companies, the arrival of the Year 2000 constitutes a risk for certain computers and computerized systems that are unable to read the year accurately, because it is shown in two digits instead of four.

Management believes that the Company is unlikely to experience such problems because its systems are relatively simple and only interact with third-party systems to a limited extent. Nevertheless, in October 1997, the Company launched a Year 2000 Compliance program to identify problems and take the necessary corrective action.

The Company compiled an exhaustive inventory of its computers, software and manufacturing and other equipment, and contacted the appropriate suppliers to obtain assurances of compliance. The Company also contacted all major clients and suppliers who might affect its activities, to determine the risks resulting from their inability to handle the changeover to the Year 2000. Tests on the Company's computers and software showed conclusively that information, accounting and financial systems were Year 2000 compliant. As regards to manufacturing and other equipment, the major components have already been replaced and the remainder should be replaced by September 1999. The Year 2000 Compliance program also encompassed the businesses acquired by Saputo and an emergency plan was prepared to deal with unforeseen circumstances.

Saputo Group Inc. is continuing its follow-up with key clients and suppliers to determine the status of each one. Although the Company is doing everything in its power to maintain good relations with business partners, it is unable to provide any assurances regarding compliance of third-party systems.

All phases of the program should be completed by fall 1999. The costs incurred should be less than $1 million, to be amortized over a three-year period.

Management's Statement
OF RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation and presentation of the consolidated financial statements and the financial information presented in this annual report.

This responsibility includes the selection of accounting policies and practices and making judgements and estimates necessary to prepare the consolidated financial statements in accordance with generally accepted accounting principles.

Management has also prepared the financial information presented elsewhere in this annual report and has ensured that it is consistent with the consolidated financial statements.

Management maintains systems of internal control designed to provide reasonable assurance that assets are safeguarded and that relevant and reliable financial information is being produced.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is responsible for reviewing and approving the consolidated financial statements. The Board of Directors carries out this responsibility principally through its Audit Committee, which is comprised solely of directors who are not employees of the Company. The Audit Committee meets periodically with management and the external auditors to discuss internal controls, auditing matters and financial reporting issues. It also reviews the annual report, the consolidated financial statements and the external auditors' report. The Audit Committee recommends the external auditors for appointment by the shareholders. The external auditors have unrestricted access to the Audit Committee. The consolidated financial statements have been audited by the external auditors, Deloitte & Touche, whose report follows.

Camillo Lisio
President and Chief Operating Officer

Louis-Philippe Carrière, CA
Executive Vice-President,
Finance and Administration, and Secretary

Auditor's REPORT

To the Shareholders of Saputo Group Inc.

We have audited the consolidated balance sheets of Saputo Group Inc. as at March 31, 1999 and 1998 and the consolidated statements of earnings, retained earnings and changes in financial position for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 1999 and 1998 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Deloitte & Touche

Chartered Accountants
Laval, Quebec
May 12, 1999

Consolidated STATEMENTS OF EARNINGS

Years ended March 31 *(in thousands of dollars, except per share amounts)*	1999	1998
Revenue	**$1,915,637**	$ 817,255
Cost of sales, selling and administrative expenses	**1,724,550**	721,828
Earnings before the undernoted expenses	**191,087**	95,427
Depreciation and amortization of fixed assets	**27,051**	13,068
Amortization of goodwill	**7,877**	2,635
Earnings before interest and income taxes	**156,159**	79,724
Interest on long-term debt	**28,589**	8,435
Other interest, net of interest income	**5,307**	491
Earnings before income taxes	**122,263**	70,798
Income taxes *(Note 7)*	**43,170**	25,053
Net earnings	**$ 79,093**	$ 45,745
Earnings per share *(Note 8)*		
Basic	**$ 1.63**	$ 1.23
Fully diluted	**$ 1.59**	$ 0.93

Consolidated STATEMENTS OF RETAINED EARNINGS

Years ended March 31 *(in thousands of dollars)*	1999	1998
Retained earnings, beginning of year	**$ 22,223**	$ 98,943
Net earnings	**79,093**	45,745
Dividends	**(11,661)**	(30,460)
Other distributions to shareholders	-	(140,000)
Expenses relating to the issuance of share capital and warrants, net of income taxes	-	(7,920)
Reduction of the stated capital of the common shares on December 18, 1997	-	55,915
Retained earnings, end of year	**$ 89,655**	$ 22,223

Consolidated BALANCE SHEETS

As at March 31 *(in thousands of dollars)*	1999	1998
ASSETS		
Current assets		
Cash	$ -	$ 12,320
Receivables	152,997	129,161
Inventories	222,873	162,358
Prepaid expenses and other assets	5,408	4,984
	381,278	308,823
Fixed assets *(Note 2)*	403,888	333,894
Goodwill, unamortized portion (cost of $293,441)	281,708	248,111
Other assets	5,175	5,834
	$1,072,049	$ 896,662
LIABILITIES		
Current liabilities		
Bank indebtedness *(Note 3)*	$ 69,514	$ 22,009
Accounts payable and accrued liabilities	159,540	139,310
Income taxes	4,620	506
Current portion of long-term debt	49,145	31,063
	282,819	192,888
Long-term debt *(Note 4)*	328,639	330,271
Deferred income taxes	10,658	3,610
	622,116	526,769
SHAREHOLDERS' EQUITY		
Share capital *(Note 5)*	349,488	347,789
Retained earnings	89,655	22,223
Foreign currency translation adjustment	10,790	(119)
	449,933	369,893
	$1,072,049	$ 896,662

On behalf of the board

Lino Saputo, Director

Camillo Lisio, Director

Consolidated STATEMENTS OF CHANGES IN FINANCIAL POSITION

Years ended March 31 *(in thousands of dollars)*	1999	1998
Net inflow (outflow) of cash related to the following activities:		
Operating		
Net earnings	**$ 79,093**	$ 45,745
Items not affecting cash		
Depreciation and amortization	**34,928**	15,912
Loss on disposal and write-off of fixed assets	**69**	214
Deferred income taxes	**14,244**	2,101
	128,334	63,972
Changes in non-cash operating working capital items	**(29,763)**	(15,325)
	98,571	48,647
Investing		
Business acquisitions *(Note 6)*	**(65,518)**	(589,875)
Cash (bank indebtedness) of the acquired businesses	**989**	(3,084)
Net additions to fixed assets	**(62,624)**	(22,107)
Other assets	**659**	(3,888)
Foreign currency translation adjustment	**(32,821)**	509
Disposal of investments	**-**	2,345
Advances to companies controlled by shareholders	**-**	20,944
	(159,315)	(595,156)
Financing		
Issuance of share capital and warrants	**1,699**	388,446
Increase in long-term debt	**50,014**	354,950
Repayment of long-term debt	**(56,987)**	(7,498)
Dividends	**(11,661)**	(30,460)
Expenses relating to the issuance of share capital and warrants	**-**	(13,200)
Other distributions to shareholders	**-**	(140,000)
Advances from a shareholder corporation	**-**	(3,775)
Foreign currency translation adjustment	**17,854**	-
	919	548,463
(Decrease) increase in cash	**(59,825)**	1,954
Bank indebtedness, beginning of year	**(9,689)**	(11,643)
Bank indebtedness, net of cash, end of year	**$ 69,514**	$ 9,689

Years ended March 31 *(in thousands of dollars)*

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles used in Canada and take into account the following significant accounting policies:

Consolidated financial statements

The consolidated financial statements include the accounts of Saputo Group Inc. and all its subsidiaries. The operating results of acquired businesses, from their respective acquisition dates, are included in the consolidated statements of earnings.

All intercompany transactions and accounts have been eliminated.

Inventories

Finished goods and goods in process are valued at the lower of average cost and net realizable value. Raw materials are valued at the lower of cost and replacement value, cost being determined under the first-in, first-out method.

Fixed assets

Fixed assets are stated at cost and are depreciated and amortized using the straight-line method over their estimated useful lives or by using the following methods:

Buildings	20 years to 40 years
Furniture, machinery and equipment	3 years to 15 years
Rolling stock	5 years to 10 years or based on kilometers traveled
Leasehold improvements	terms of leases

Goodwill

Goodwill is recorded at cost and amortized under the straight-line method over a maximum period of forty years. Management reviews goodwill on a continuous basis to determine whether there has been a permanent impairment of its value by comparing the carrying amount with future undiscounted operating income.

Deferred income taxes

The Company uses the tax allocation method. In accordance with this accounting method, the current tax expense may differ from the accounting tax expense as a result of the timing differences that arise in reporting certain expenses or revenues for financial statement and income tax purposes. The differences are recorded as deferred income taxes and are basically due to depreciation and amortization of fixed assets.

Foreign currency translation

The balance sheet accounts of the self-sustaining companies operating in the United States were translated into Canadian dollars using the exchange rates at the balance sheet dates. Statement of earnings accounts were translated into Canadian dollars using the average exchange rates in effect during the fiscal years. Canadian company debt relating to the financing of the acquisitions of the self-sustaining companies was also converted using the exchange rates at the balance sheet dates. The foreign currency translation adjustment account presented in shareholders' equity represents accumulated foreign currency gains or losses on the Company's net investments in self-sustaining companies operating in the United States. The change in the foreign currency translation account during the year ended March 31, 1999 resulted from the weakening of the Canadian dollar as compared to the US dollar.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency accounts of Canadian companies were translated into Canadian dollars using the exchange rate at the end of the year for current assets and liabilities and the prevailing exchange rates at the time of transactions for income and expenses. Gains or losses resulting from this translation are included in the statement of earnings.

2. FIXED ASSETS

	1999			1998
	Cost	Accumulated depreciation and amortization	Net book value	Net book value
Land	$ 18,378	$ -	$ 18,378	$ 13,904
Buildings	133,307	16,213	117,094	111,974
Furniture, machinery and equipment	346,889	81,808	265,081	204,686
Rolling stock	6,081	2,758	3,323	2,978
Leasehold improvements	594	582	12	352
	$ 505,249	$ 101,361	$ 403,888	$ 333,894

3. BANK INDEBTEDNESS

Bank indebtedness includes bank loans of US $38,110,000 and Cdn $4,185,000 (US $15,501,000 in 1998).

4. LONG-TERM DEBT

	1999	1998
Term bank loans (US $247,977,986) bearing interest at fluctuating rates based on LIBOR rate plus 0.5% to a maximum of 1.5%, depending on the interest-bearing debt to the earnings before interest, depreciation and amortization and income taxes ratio of the Company. One of the term loans in the amount of $256,535,207 (US $170,104,905) is repayable in quarterly principal instalments of Cdn $12,100,000 and the other term loan in the amount of $117,440,393 (US $77,873,081) is repayable on December 1, 2001 when the other loan becomes due	$ 373,976	$ 354,950
Unsecured bonds, repayable in annual variable instalments, bearing interest at rates from 2.75% to 6.2%, due in 2004 (US $2,505,000)	3,778	4,210
Other loans	30	2,174
	377,784	361,334
Current portion	49,145	31,063
	$ 328,639	$ 330,271

4. LONG-TERM DEBT (continued)

In June 1998, the Company entered into interest swap contracts at rates of 5.703% and 5.775% to hedge against exposure to increases in interest rates. As at March 31, 1999, these contracts cover 220 million of US dollar debt and have terms expiring through December 2003.

Estimated principal payments required in each on the next five years, assuming that the term bank loans will be refinanced when they become due, are as follows :

2000	$ 49,145
2001	49,204
2002	48,926
2003	48,956
2004	48,994
	$ 245,225

5. SHARE CAPITAL

Authorized

The authorized share capital of the Company consists of an unlimited number of common and preferred shares. The common shares are voting and participating. The preferred shares may be issued in one or more series, the terms and privileges of each series to be determined at the time of their creation.

	1999	1998
Issued		
48,630,998 common shares (48,567,260 in 1998)	**$ 349,488**	$ 347,789

26,750 common shares for an amount of $1,070,000 were issued during the year in partial consideration for the acquisition of two Canadian businesses. 36,988 common shares for an amount of $629,000 were also issued pursuant to the share option plan.

Share option plan

The Company established a share option plan to allow for the purchase of common shares by full-time employees, officers and directors of the Company. The total number of common shares which may be issued pursuant to this plan will not exceed 3,000,000 common shares. The options expire ten years from the date of the grant.

Options issued and outstanding as at the year-ends are as follows:

Granting fiscal year	Exercise price	1999	1998
1998	$ 17.00	**429,292**	469,809
1999	$ 32.25 to $ 37.50	**316,210**	-
		745,502	469,809

5. SHARE CAPITAL (continued)

Changes in the number of options are as follows:

	1999	1998
Balance at beginning of year	**469,809**	-
Options granted	**350,481**	469,809
Options exercised	**(36,988)**	-
Options cancelled	**(37,800)**	-
Balance at end of year	**745,502**	469,809

421,825 options to purchase common shares at a price of $39.40 were also granted in April 1999.

6. BUSINESS ACQUISITIONS

Year ended March 31, 1999

On May 1, 1998, the Company acquired for a cash consideration of $54,144,000 (US $37,836,000) all of the issued shares of Avonmore Cheese Inc. and Waterford Food Products, Inc., cheese and by-product producers operating in the United States.

On September 1, 1998, the Company acquired all of the issued shares of Riverside Cheese and Butter Inc. for a total consideration of $6,387,000, payable by the issuance of 17,500 common shares at $40 per share for an amount of $700,000 and a cash consideration of $5,687,144. On September 16, 1998, the Company also acquired the assets of Bari Cheese Ltd. for a total consideration of $4,987,000, payable by the issuance of 9,250 common shares at $40 per share for an amount of $370,000 and a cash consideration of $4,617,000. These two businesses are Canadian cheese producers.

These acquisitions were recorded using the purchase method of accounting. Goodwill resulting from the acquisition of Riverside Cheese and Butter Inc. is amortized under the straight-line method over a period of forty years.

Net assets acquired were the following as at the dates of acquisition:

	Avonmore Cheese Inc. and Waterford Food Products, Inc.	Riverside Cheese and Butter Inc.	Bari Cheese Ltd.	Total
Tangible assets	$ 81,996	$ 4,028	$ 4,987	$ 91,011
Goodwill	-	4,576	-	4,576
Total assets	81,996	8,604	4,987	95,587
Liabilities assumed	27,852	2,217	-	30,069
Net assets acquired	$ 54,144	$ 6,387	$ 4,987	$ 65,518

Year ended March 31, 1998

On July 31, 1997, the Company acquired from 167876 Canada Inc., a company controlled by shareholders of Saputo Group Inc., all of the issued shares of Crémerie des Trois-Rivières, Limitée for a cash consideration

6. BUSINESS ACQUISITIONS (continued)

of $4,290,000, which is the amount invested by 167876 Canada Inc. for this acquisition on March 3, 1997. This acquisition was accounted for by the Company at the carrying amount of the assets and liabilities of this company recorded in the books of 167876 Canada Inc. Crémerie des Trois-Rivières, Limitée produces and distributes fluid milk and ice cream products in Canada.

On December 5, 1997, the Company acquired all of the issued shares of Stella Holdings, Inc., a cheese producer operating in the United States, for a cash consideration of US $403,923,000 (Cdn $574,580,000 as at December 5, 1997). Acquisition costs amounted to $5,855,000.

On July 31, 1997, the Company acquired from 167876 Canada Inc., a company controlled by shareholders of Saputo Group Inc. 33 1/3% of the issued shares of Froma-Dar Inc. for a cash consideration of $750,000, which was the carrying amount of this investment recorded in the books of 167876 Canada Inc.

On January 30, 1998, the Company acquired from unrelated parties, all the shares of Froma-Dar Inc. that it did not already own for a total consideration of $4,400,000, payable by the issuance of 96,760 shares of Saputo Group Inc. and by a cash consideration of $1,981,000. Froma-Dar Inc. is a Canadian cheese producer.

The acquisitions of Stella Holdings, Inc. and Froma-Dar Inc. were recorded using the purchase method of accounting. Goodwill resulting from these acquisitions is amortized under the straight-line method over a period of forty years.

The allocation of the purchase price of Stella Holdings, Inc. was finalized during the year ended March 31, 1999. Pursuant to this allocation, the value assigned to goodwill was increased by $21,760,000 and the value assigned to tangible assets was reduced by the same amount.

Net assets acquired were the following as at the acquisition dates:

	Crémerie des Trois-Rivières, Limitée	Stella Holdings, Inc.	Froma-Dar Inc.	Total
Tangible assets	$ 9,103	$ 437,215	$ 7,403	**$ 453,721**
Goodwill	–	246,493	3,287	**249,780**
Total assets	9,103	683,708	10,690	**703,501**
Liabilities assumed	4,813	103,273	5,540	**113,626**
Net assets acquired	$ 4,290	$ 580,435	$ 5,150	**$ 589,875**

7. INCOME TAXES

The provision for income taxes is comprised of the following:

	1999	1998
Provision using basic income tax rates	**$ 48,908**	$ 28,261
Increase (decrease) resulting from:		
Manufacturing and processing tax credits	**(5,757)**	(3,738)
Goodwill amortization and other items	**19**	530
	$ 43,170	$ 25,053

8. EARNINGS PER SHARE

Basic earnings per share have been calculated using the weighted average number of common shares outstanding during each fiscal year.

Fully diluted earnings per share for the year ended March 31, 1999 have been calculated using 49,798,325 common shares, being the sum of the number of common shares outstanding as at March 31, 1999 (48,630,998 shares) and the shares that may be issued following the exercise of options granted under the Company's share option plan (1,167,327 shares).

Fully diluted earnings per share for the year ended March 31, 1998 have been calculated using 49,336,919 common shares, being the sum of the number of common shares outstanding and the shares that may be issued following the exercise of options granted under the Company's share option plan.

9. RELATED PARTY TRANSACTIONS

Management fees charged by a shareholder corporation amounted to $694,000 for the year ended March 31, 1999 ($1,318,000 in 1998).

10. COMMITMENTS RELATED TO LEASES

The Company carries some of its operations in premises leased until the year 2004 and has also entered into lease agreements for equipment. The minimum annual lease payments required are as follows:

2000	**$ 2,532**
2001	**2,086**
2002	**999**
2003	**71**
2004	**38**
	$ 5,726

11. FINANCIAL INSTRUMENTS

The fair value of receivables, bank indebtedness, accounts payable and accrued liabilities corresponds to their carrying value due to their short-term maturity.

The fair value of long-term debt, estimated by discounting expected cash flows at rates currently offered to the Company for debts of the same remaining maturities and conditions, approximates the carrying value.

The Company grants credit to its customers in the normal course of business. Credit valuations are performed on a regular basis and the financial statements take into account an allowance for bad debts. The Company does not have any credit risk concentration.

Saputo Group Inc. manages its currency risks by occasionally entering into foreign currency contracts. Outstanding foreign currency contracts as at the balance sheet date are not material.

12. SEGMENTED INFORMATION

Saputo Group Inc. operates through facilities located in Canada and the United States. Information on the geographic segmentation is as follows:

	1999			1998		
	Canada	United States	Total	Canada	United States	Total
Revenue	**$521,146**	**$1,394,491**	**$1,915,637**	$454,907	$362,348	$817,255
Earnings before depreciation and amortization, interest and income taxes	**$ 77,744**	**$ 113,343**	**$ 191,087**	$ 71,079	$ 24,348	$ 95,427
Depreciation and amortization	**8,831**	**26,097**	**34,928**	7,311	8,392	15,703
Operating income - Earnings before interest and income taxes	**$ 68,913**	**$ 87,246**	**156,159**	$ 63,768	$ 15,956	79,724
Interest			**33,896**			8,926
Income taxes			**43,170**			25,053
Net earnings			**$ 79,093**			$ 45,745
Net additions to fixed assets	**$ 11,797**	**$ 50,827**	**$ 62,624**	$ 12,583	$ 9,524	$ 22,107
Total assets	**$181,050**	**$ 890,999**	**$1,072,049**	$156,497	$740,165	$896,662
Fixed assets at net book value	**$ 88,259**	**$ 315,629**	**$ 403,888**	$ 79,628	$254,266	$333,894

13. UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

14. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

Shareholder INFORMATION

ANNUAL SHAREHOLDER MEETING

Tuesday August 3, 1999, at 11:00
Salon Laval, Hotel Sheraton
2440 autoroute des Laurentides, Laval, Québec

INVESTOR RELATIONS

Lynda Leith
Telephone: (514) **328-3381**
Fax: (514) **328-3364**
E-mail: lynda.leith@saputo.com

STOCK EXCHANGES

Montréal, Toronto
Symbol: SAP

TRANSFER AGENT

General Trust
1100 University Street, Suite 900, Montréal, Québec H3B 2G7 Canada
Telephone: (514) **871-7171** 1 800 341-1419
Fax: (514) **871-7442**

INDEPENDENT AUDITORS

Deloitte & Touche, Laval, Québec

DIVIDEND POLICY

It is the policy of Saputo Group Inc. to declare quarterly cash dividends on the common shares in an amount of $0.06 per share, representing a yearly dividend of $0.24 per share. The balance of corporate earnings are reinvested to finance the growth of the Company's business.

The Board of Directors may review the Company's dividend policy from time to time based on financial position, operating results, capital requirements and such other factors as are deemed relevant by the Board, at its sole discretion.

SI vous désirez vous procurer une copie de ce rapport en français, veuillez communiquer avec notre service des Relations avec les investisseurs au (514) 328-3381.

GRAPHIC DESIGN: SOLO COMMUNICATIONS MARKETING INC.
PRINTED IN CANADA

ANDRÉ BÉRARD

Director since 1997
Chairman of the Board
and Chief Executive Officer
National Bank of Canada

PIERRE BOURGIE

Director since 1997
President and Chief Executive Officer
Société Financière Bourgie Inc.

CAMILLO LISIO

Director since 1997
President and Chief Operating Officer
Saputo Group Inc.

CATERINA MONTICCIOLO, CA

Director since 1997
Controller
Placements Vigica Inc.

LINO SAPUTO

Director since 1992
Chairman of the Board
and Chief Executive Officer
Saputo Group Inc.

PATRICIA SAPUTO, CA

Director since 1999[1]
President
Gestion Pasa Inc.

LOUIS A. TANGUAY

Director since 1997
President and Chief Operating Officer
Bell Canada International

[1] Mrs. Patricia Saputo was appointed to the Company's Board of Directors on June 9, 1999, following the resignation of Carlo Bizzotto.

S A P U T O   G R O U P   I N C .

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